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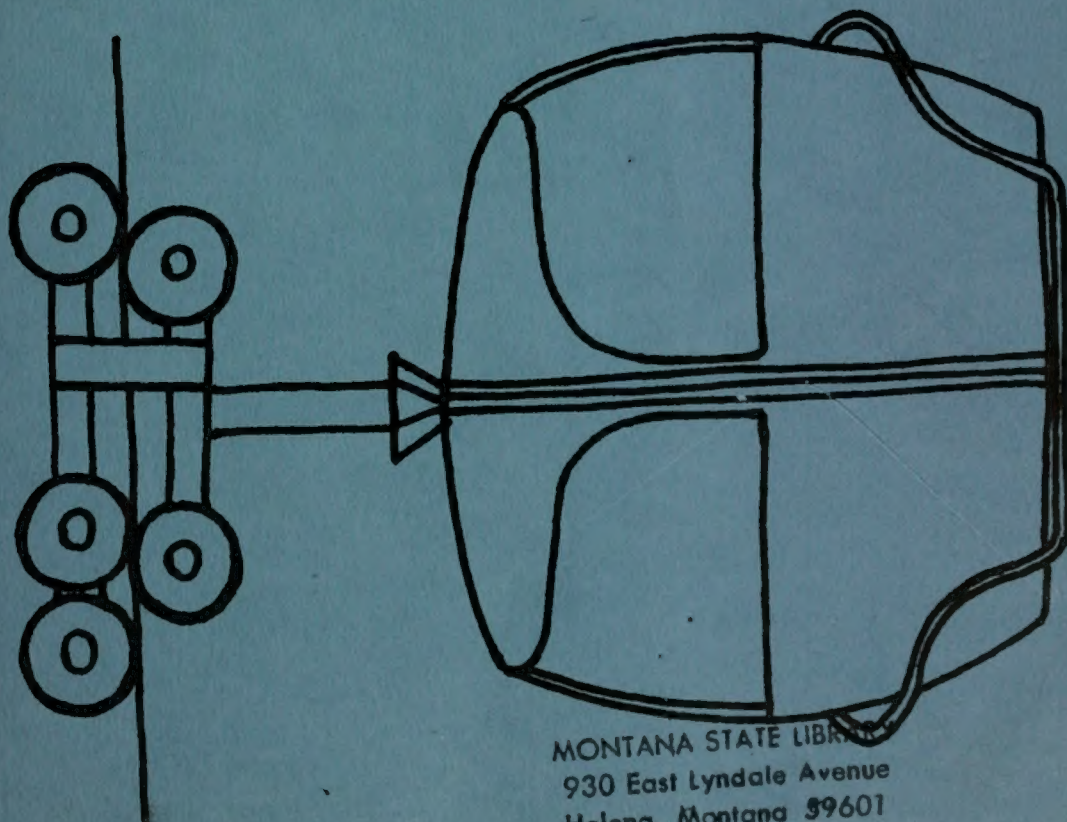
Special Report PE 104

STATE DOCUMENTS

AUG 7 1974

Department of Intergovernmental Relations

# the growth and impact of the **BIG SKY RESORT COMMUNITY**



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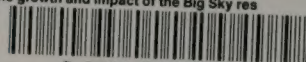


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The growth and impact of the Big Sky  
Resort Community at Big Sky, Montana.  
(Helena) Montana Department of Inter-  
governmental Relations, Division of  
Economic Development and Analysis, 1974.  
39 p. charts, map (Montana Department  
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THE GROWTH AND IMPACT OF THE

BIG SKY RESORT COMMUNITY

AT

BIG SKY, MONTANA

Prepared for

Montana Department of Intergovernmental Relations  
Division of Economic Development & Analysis

by

Center for Industrial Development  
Montana State University  
Bozeman, Montana

January 1974



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## Overview

The purpose of this report is to present data which describe the present status and the projected growth and impact of the Big Sky Resort at Big Sky, Montana, with particular reference to an urgently increasing need for an access highway to the new community.

The recreation industry is viewed by many private citizens and State officials as being a clean and desirable industry for Montana. Considerable State funds are spent for the promotion of this industry with great emphasis placed on the abundance of wide open spaces, clean air, clear cold streams, high mountain lakes, scenic forests, western atmosphere, hunting, fishing, skiing and other outdoor activities. It has long been felt, among competent observers, that high quality developments of a terminal visit nature are necessary in order to capitalize on Montana's unique outdoor assets. Big Sky of Montana, providing year-round facilities and amenities to attract and hold people for vacation, living and working in a well-planned community, is such a project.

Big Sky of Montana began building the resort community of Big Sky, Montana, in 1970. The general location is 40 miles south of the Bozeman area on U.S. 191. The overall concept is a Meadow Village 2 1/4 miles west of U.S. 191 and a Mountain Village approximately 6 1/2 miles west of the Meadow Village. As work progresses towards providing the lodging and business services for the growing community, it is also necessary to plan and provide for services and facilities which

are of a public nature, including: police and fire protection, water and sewer facilities, garbage collection, and the construction and maintenance of a safe and dependable transportation system.

Substantial progress has been made in the construction of lodging facilities, homes, recreation facilities and a variety of commercial activities. As shown on the following pages, the private sector has invested nearly \$50 million in Big Sky, Montana, since 1969. This investment has been made by some 600 property owners. It is projected that the investment by the private sector will increase to approximately \$170 million by 1980. Corresponding increases are noted in numbers of property owners, employees and tax revenues generated as a result of this resort community.

Because of the magnitude of these investments and their nature, the rapid rate at which they are occurring, and the high usage rate already achieved, it is highly important that efforts be made to accelerate the construction of an all-weather access highway from U.S. 191 to the Mountain Village at Lone Mountain. To accomplish this purpose, the proposed highway was designated as a primary highway and Big Sky as a growth center under the Federal Aid Highway Act of 1970 in November 1971. The facts presented in this report support a continuation of this designation and the construction program contemplated thereunder.

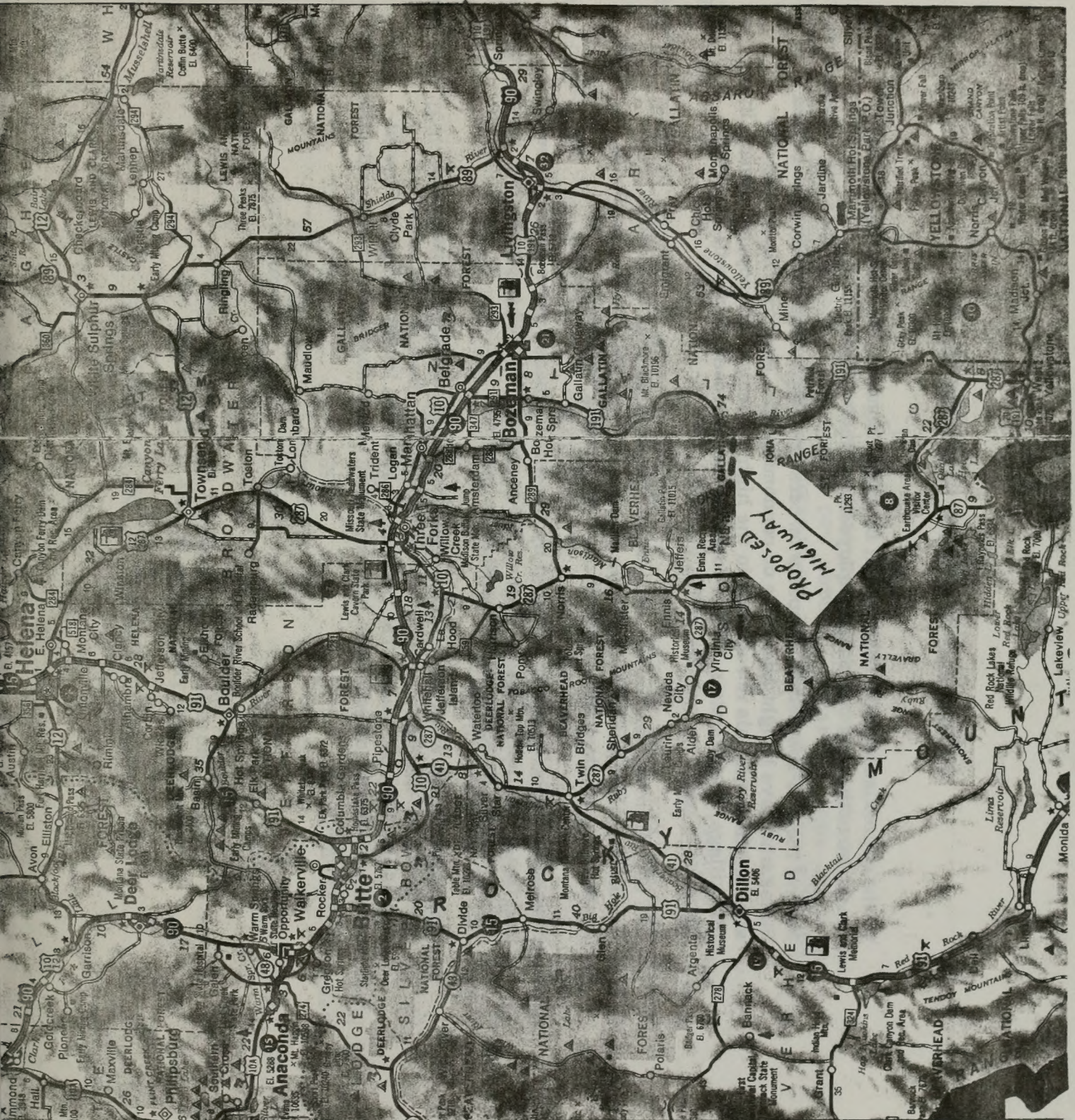


## PROJECT LOCATION

The new Growth Center created by the Big Sky Recreation Development is located just off U.S. 191, 40 miles south of Bozeman and 49 miles north of West Yellowstone. The Meadow Village and approximately 7 miles of the main access road lie within Gallatin County.

All of the Mountain Village and about 2 miles of the road are located in Madison County.





Missoula

Billings



## SUMMARY OF STATUS AS OF DECEMBER 1973

Of the approximately 459 residents at Big Sky, Montana, the majority of these are construction and operating employees and their families.

Most of the non-commercial property owners are people from all over the United States who have bought homesites or condominiums. Meadow Village was constructed first and this is reflected in the high percentage of property owners in this village. As Mountain Village construction proceeds there will be a rapid increase in property owners in that location.

The capital investment in the commercial category includes the hostels, restaurants, convention centers, shops, camper parks, golf course, employee apartments, medical clinic, ski lifts and supporting facilities.

Nearly \$4 million has been invested by Big Sky in roads, water systems, sewer and fire protection facilities. Almost 100 percent of the 638 employees are employed as a direct result of the Big Sky project.

The construction work force will remain somewhat constant for the next 5 years but the number of business employees will increase at an estimated 30 to 40 percent per year. The property taxes to be levied against the investments existing as of December 1973 represent an annual property tax collection of \$654,000.



# SUMMARY OF STATUS AS OF DECEMBER 1973

The following Table gives a breakdown of the December 1973 status of the Big Sky Development area.

	<u>Meadow Village</u>	<u>Mountain Village</u>	<u>Total</u>
Resident Population	368	91	459
Number of Non-commercial Property Owners	526	92	618 (1)
Sales Value of Non-Com- mercial Property	\$13,176,000	\$18,175,000	\$31,351,000
Number of Commercial Owners	11	12	23 (1)
Capital Investment in Commercial	\$ 6,616,000	\$11,450,000	\$18,066,000
Capital Investment in Public Services & Facilities by Private Sector	\$ 2,175,000	\$ 1,773,000	\$ 3,948,000
Number of People Employed (avg.)	231	407	638
Yearly Income Tax from Payrolls	\$ 451,000	\$ 788,000	\$ 1,239,000
Yearly Property Tax (based on above valuations)	\$ 260,000	\$ 394,000	\$ 654,000

(1) Big Sky, Inc. was included in breakdown as 1 non-commercial and 1 commercial owner in each location (Meadow and Mountain); the number of commercial owners includes the 3 other enterprises serving both locations.



## NON-COMMERCIAL PROPERTY OWNERS

### MEADOW VILLAGE

Almost half of the property owners in Meadow Village are people who have purchased homesites. Many of these owners will be constructing homes on this property in the next few years. Nineteen homes have been completed and seven homes are under construction. A sharp increase in home building is expected to occur in the spring.

Over 95 percent of the condominium owners are not residents of Big Sky. This indicates a high investment which is taxed at full rate, yet the owners do not directly require the school services, which normally absorb about 70 percent of the local property tax dollar.

Nearly all the mobile home owners lease or rent parking spaces from either Big Sky or the two other mobile homes parks which are located along the road leading to Lone Mountain.



NON-COMMERCIAL PROPERTY OWNERS

	Number of Owners	Current Population	Number of Units		Capital Investment	
			Completed	Under Const.	Completed	Under Const.
MEADOW VILLAGE						
Condominiums	131	10	112	48	\$4,600,000	\$2,000,000
Homes (conventional)	22	41	19	7	855,000	315,000
Homesites	248	0	316	0	4,304,000	0
Mobile Homes (leased pads)	55	133	55	0	550,000	0
Apartments (leased)	(1)	46	15	-	-	-
Other	-	4	-	-	-	-
Outside Big Sky Development Area, But Using Road						
Homes	23	40	NA	NA	270,000	NA
Mobile Homes	47	94	NA	NA	282,000	NA
Totals	526	368	517	55	\$10,861,000	\$2,315,000

(1) The apartments are owned by Big Sky and are not claimed here because Big Sky ownership is shown elsewhere.



## NON-COMMERCIAL PROPERTY OWNERS

### Mountain Village

Of the 186 condominiums under construction, 60 units are scheduled for completion in January of 1974. The balance are closed in so construction will continue through the winter months.

Water and sewer is scheduled to be installed to many of the homesites during the summer of 1974 and this will stimulate homesite sales.

The apartments at the Mountain Village are owned by Big Sky and an ownership is not claimed here since Big Sky is considered as being one owner and is shown elsewhere. Nevertheless, this is private capital.

The "other" population of 5 consists of people living in temporary accommodations placed on site.



NON-COMMERCIAL PROPERTY OWNERS

Dec. 1973

<u>MOUNTAIN VILLAGE</u>	<u>Number of Owners</u>	<u>Current Population</u>	<u>Number of Units</u>		<u>Capital Investment</u>	
			<u>Completed</u>	<u>Under Const.</u>	<u>Completed</u>	<u>Under Const.</u>
Condominiums	78	0	0	186	0	\$ 9,100,000
Homes (conventional)	0	0	0	0	0	0
Homesites	14	0	363	0	\$ 9,075,000	0
Apartments (leased)	-	86	37	-	-	-
Other	-	5	-	-	-	-
Totals	92	91	400	186	\$ 9,075,000	\$ 9,100,000



## COMMERCIAL FACILITIES & SERVICES AVAILABLE

### Meadow Village

Meadow Village is a thriving community complete with lodging, food service, convention facilities and a general store which has gift items, clothing and a complete line of groceries.

All of the accommodations and services listed on the opposite page have been completed and are in full operation. The number of employees is steadily increasing as more condominiums are being completed and additional homes are being constructed to satisfy the demand of more visitors and new residents.

# COMMERCIAL FACILITIES & SERVICES AVAILABLE

## Meadow Village

Dec. 1973

### Accommodations and Services

### Economic Impact

Hostel (42 units with 168 beds)

Guest Ranch (16 cabins with 50  
beds)

Apartments (15 units)

Mobile Home Park (40 pads)

Camper Village (172 pads)

Restaurant & Lounge (for 100)

Convention Center (for 200)

Country Store

Conoco Service Station

Property Management Service

Real Estate Sales Office

Golf Course, Club House, Pro Shop,  
(18 hole)

Outside Big Sky Development area,  
but using road:

Rehm's Trailer Court (approx. 24 mobile homes)

McBride's Trailer Court (approx. 23 mobile homes)  
11

Number of Business Owners: 8

Estimated Capital Investment: \$4,116,000

Number of Employees:  
(avg. yr-around) 108

Estimated Yearly Payroll: \$830,000



## COMMERCIAL FACILITIES & SERVICES AVAILABLE

### Mountain Village

The accommodations and services shown on the opposite page were completed so it was possible to start operating the four ski-lifts (1 gondola, 2 double chairs and 1 triple chair) by the middle of December 1973. Big Sky of Montana provided their own resources to insure that the road to the ski area was in a condition safe for the visiting public and the private commercial operators who have businesses at Mountain Village.

In addition to gasoline tax, income tax and inventory tax the capital investment in Mountain Village commercial facilities as of December 1973 will result in annual property taxes of approximately \$150,000.

The convention center is very important in that this facility will provide a gathering place for social functions, as well as for business seminars and conferences.

# COMMERCIAL FACILITIES & SERVICES AVAILABLE

## Mountain Village

Dec. 1973

<u>Accommodations and Services Completed or Almost Completed:</u>	<u>Economic Impact</u>
Convention Center (500 seat Capacity)	
Hostel (88 units with 352 beds)	
Employee Housing (37 units)	
Cafeteria	Number of Business Owners: 9
Restaurant	Estimated Capital Investment: \$8,950,000 (to date)
Delicatessen	Number of Employees: 109 (avg. yr-around)
2 Lounges	Estimated Yearly Payroll \$ 560,000
Drug Store	
2 Gift Shops	
Sporting Goods Store	
Day Care Center	
Ski Patrol & First Aid Center	
Ski Lifts & Trails	
Parking Lots (1000 car)	
Under Construction:	
	Hotel (204 rooms)
	Offices
	Storage Bunker & Warehouse
	Power Supply
	13



## COMMERCIAL FACILITIES & SERVICES AVAILABLE

### Serving both Meadow & Mountain Villages

Approximately \$5,000,000 has been invested by the private sector to provide electricity, telephone service, medical facilities and administration for the visitors, residents, non-commercial absentee property owners and the businesses of this resort community. Costs have been very high due mainly to the desire and dedication of building this community to self-imposed high standards which protect the environment, the public and the people who are buying properties at Big Sky.

The number of construction employees ranges anywhere from 200 to 400 for an average of nearly 300. This is expected to continue at this level through 1978 at which time it will start to diminish significantly. The slowdown in construction employment will be more than taken up by operating employees.

# COMMERCIAL FACILITIES & SERVICES AVAILABLE

Serving both Meadow Village & Mountain Village

Dec. 1973

## Services

Medical Center

Montana Power Company

Telephone Company

Big Sky Administration & Misc.

## Economic Impact

Estimated Investment to Date \$5,000,000

Number of Employees (Avg.) 125

Estimated Yearly Payroll: \$1,000,000

## Construction Companies:

Employees

Annual Payroll (est.)

50

\$ 500,000

225

\$ 2,250,000

Meadow Village

Mountain Village



## PUBLIC SERVICES AND FACILITIES AVAILABLE

As shown on the opposite page, a major part of the investment and operating costs for public facilities is also being financed by the private sector. They are being provided on an advance and timely basis with the growth of the community. Until January 1974, Big Sky of Montana has borne the full cost of providing internal road construction and maintenance, fire protection and security patrol, and it has financed about 95 percent of the water and sewer system operating costs.

Beginning in 1974, the property owners other than Big Sky will contribute \$100 each to help cover the costs of security patrol, fire protection, water and sewer maintenance, and maintenance of the internal road system. Big Sky, itself, will provide over 80 percent of these operating costs with expectations that public funds derived from taxes generated by the project may soon be made available for such purposes as the community matures.

In addition to the above, Big Sky has participated in the yet limited construction and improvements of the main access road from U.S. 191 to the Meadow and Mountain villages. On the three mile section of road to lower Meadow Village, \$575,435 has been spent for planning and engineering, right-of-way, construction and construction engineering. Of this amount, Big Sky furnished \$288,000 with the balance of \$287,435 from State funds. The Montana Department of Highways assumed maintenance on this section in November of 1972 and is continuing to do so. Big Sky on the other hand has provided for all improvements and maintenance (including construction improvements, grading and snow removal) for the approximate 6½ mile upper part of the main road between the Meadow and Mountain village. The only expenditures by the Department of Highways applicable to this upper section are preliminary planning and engineering costs and expenses associated with preparation and review of the environmental impact statement.

During this time, the community has been open and used by the public except for areas closed because of construction or road conditions. During this same period, as set forth in this report, public revenues from property, inventory, income and gasoline taxes have increased dramatically as the plans for the Big Sky community have become tangible reality.

The provision of this main access road, the only major financial involvement and assistance expected from the governmental sector in the developmental stage, continues to lag and may soon impede progress being made by the private sector. The legal and financial matters associated with construction of the highway as an essential public facility to the "growth center," as designated in 1971 under the Federal Highway Act of 1970, should therefore be resolved and followed by a construction program matched to the pace of the community's activity and growth. As indicated above, engineering, right-of-way work and some construction has already been accomplished. As a result, on the order of \$3 million, depending on specific location and standards, is estimated to be required to complete the road project.

# PUBLIC SERVICES & FACILITIES AVAILABLE

Dec. 1973

## Description of Services

### Meadow Village

### Financed By

Post Office	P.O. (leased)
Fire Station	Private Sector
Water & Sewer	"
Roads & Maintenance	"
Trash Pick Up	"
Lakes and Dam	"

### Mountain Village

Water & Sewer	Private Sector
Roads & Maintenance	"
Dam & Bridge	"
Forest Service Trails	U.S. Forest Service

### Both

Water & Sewer	Private Sector
Roads & Maintenance	"
Security Patrol (7)	"
Deputy Sheriff (1)	County Taxes

## Economic Impact

Estimated Annual Oper. Cost: \$120,000  
 Estimated Investment to Date: \$1,453,000  
 Number of Employees: 7 + 24 volunteers (avg.)  
 Estimated Yearly Payroll: \$72,000

Estimated Annual Oper. Cost: \$100,000  
 Estimated Investment to Date: \$1,051,000  
 Number of Employees (avg): 6  
 Estimated Yearly Payroll: \$60,000

Estimated Annual Oper. Cost: \$160,000  
 Estimated Investment to Date: \$1,444,000  
 Number of Employees (avg.): 8  
 Estimated Yearly Payroll: \$117,000



## ESTIMATED TAXES

Property taxes of approximately \$654,000 a year will be collected from the capital investment being made as of December 1973 in the Big Sky Resort community. The majority of this is being paid by property owners who place little or no additional demand on the local school system. Schools are cited because about 70 percent of the property taxes go for the school systems.

Another item of specific concern is the motor fuel taxes as they relate directly to highway construction and maintenance. It is calculated that approximately \$65,000 of gasoline tax money is collected just from passenger cars and other vehicles used by visitors, residents and employees for personnel transportation.

This is the annual collection at the present level of activity and activity will increase to approximately 5 fold by 1980. Of additional significance is the amount of the fuel tax paid by contractors, businesses and commercial passenger carriers in the operation of their trucks and other vehicles.

# ESTIMATED TAXES (1)

(Based on property currently in existence or under construction and current annual payrolls)

<u>PROPERTY</u>	<u>MEADOW VILLAGE</u>		<u>MOUNTAIN VILLAGE</u>	
	<u>Value</u>	<u>Tax (2)</u>	<u>Value</u>	<u>Tax</u>
Non-Commercial	\$13,176,000	\$172,000	\$18,175,000	\$242,000
Commercial	4,116,000	55,000	8,950,000	119,000
Other (3)	2,500,000	33,000	2,500,000	33,000
Total	\$19,792,000	\$260,000	\$29,625,000	\$394,000
<u>INCOME (personal)</u>				
Commercial	\$ 830,000	\$	\$ 560,000	\$
Construction	500,000		2,250,000	
Public Service	131,000		118,000	
Other (3)	500,000		500,000	
Total: State (5%)	\$ 1,961,000	\$ 98,000		\$171,000
Federal (18%)		\$353,000	\$ 3,428,000	\$617,000

## FUELS (estimated)

Gas Tax:

Visitors

\$ 14,850

Residents & Employees

15,870

Total

\$ 30,720

(1) Payable as properties are assessed and placed on tax rolls

(2) True Value x .60 = Appraised Val.; Appraised Val. x .40 = Assessed Val.; Assessed Val. x .30 = Tax Val.; Mill Rate = .185.

(3) Other: Commercial serving both . . . Villages and allocated 50% to each.



## SUMMARY OF PROJECTED GROWTH AND IMPACT BY 1980

By 1980 it is forecast that the resort community will grow to the level of having 1250 homesite owners, 400 private homes completed and approximately 2500 condominium units. An estimated 1,200,000 visitor days in 1980 means that the Lone Mountain road must be improved considerably over what exists today.

The capital investment (\$170,000,000) and the economic impact from the predicted employment of 1350 people will generate nearly \$6 million in property tax and income tax each year. This level of revenue will probably greatly exceed the cost of services that the area will require. In addition if each visitor requires transportation service equivalent to 25 miles (includes personal travel, travel of service people and transportation of goods to service the visitor) there will be \$330,000 of fuel tax money collected on travel at the Big Sky resort community each year.

# SUMMARY OF PROJECTED GROWTH AND IMPACT BY 1980

	<u>Total</u>
Homes Sites (number sold)	1,250
Homes Sites (sales value)	\$24,500,000
Private Homes	400
Commercial Bedrooms	5,800
Visitor Days Per Year	1,200,000
Personal Income Resulting From Non-resident visitors (includes direct and indirect payroll impact)	\$19,000,000
Employment	
Construction	100
Operating	1,250
Capital Investment	\$170,000,000
Taxes	
Property Tax	\$2,264,000
Income Tax (Fed. & State)	\$3,586,000



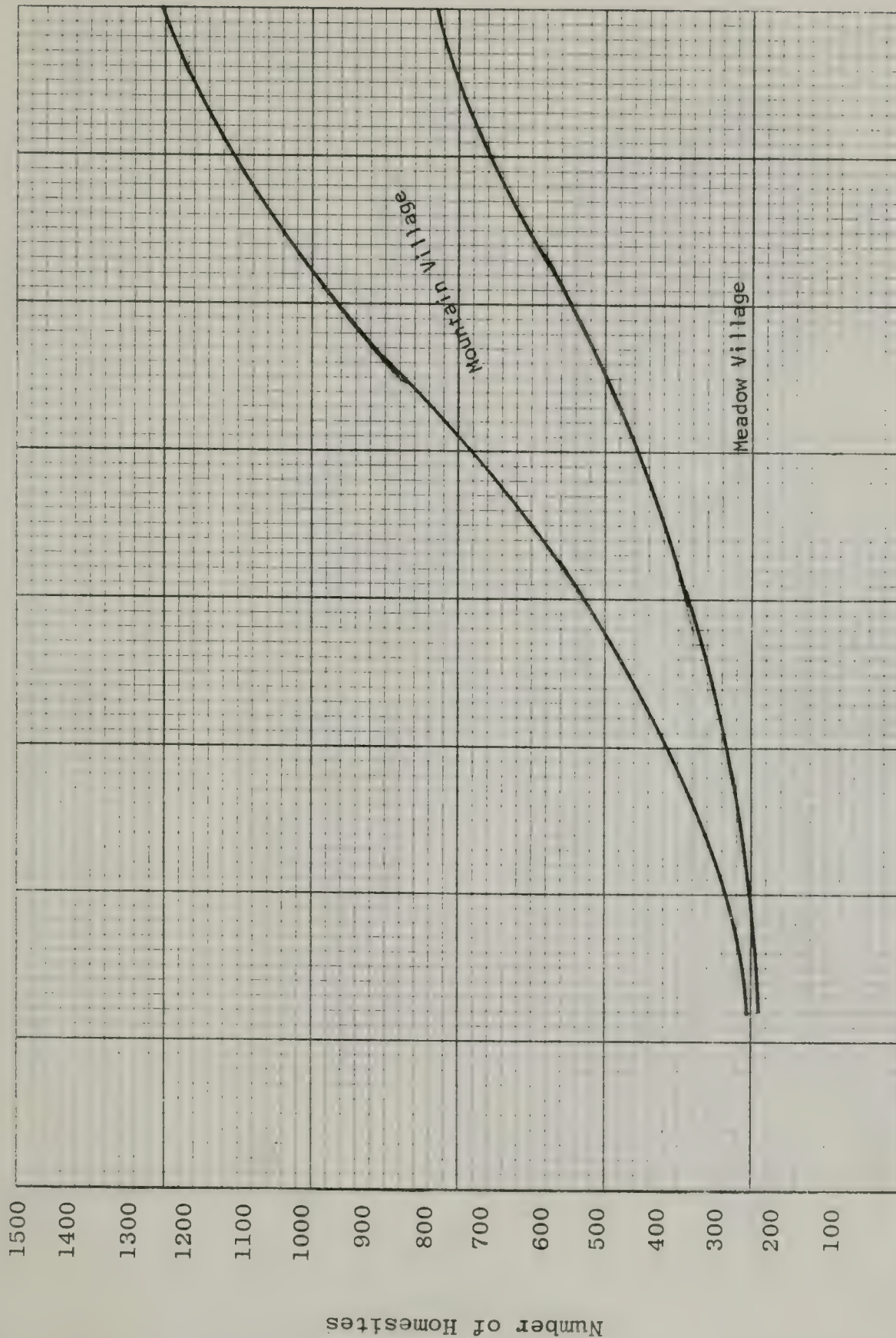
## HOMESITES (NUMBER)

Because of a large commitment to open space, only thirty percent or less of Big Sky property will be developed. Of this, homesites will occupy the majority of this planned land development.

This comparatively (compared to other resorts) low density development will require more internal roads per residential unit. The low density will also preserve mountain beauty within the development.

As shown on the opposite graph, over 250 homesites are already sold. According to sales listed as of October 15, 1973, 106 homesites were purchased by Montanans and 121 were purchased by non-residents. By fall of 1976 over 500 homesites are expected to be sold.

# HOMESITES (Number)



Year Ending 9-30-  
23



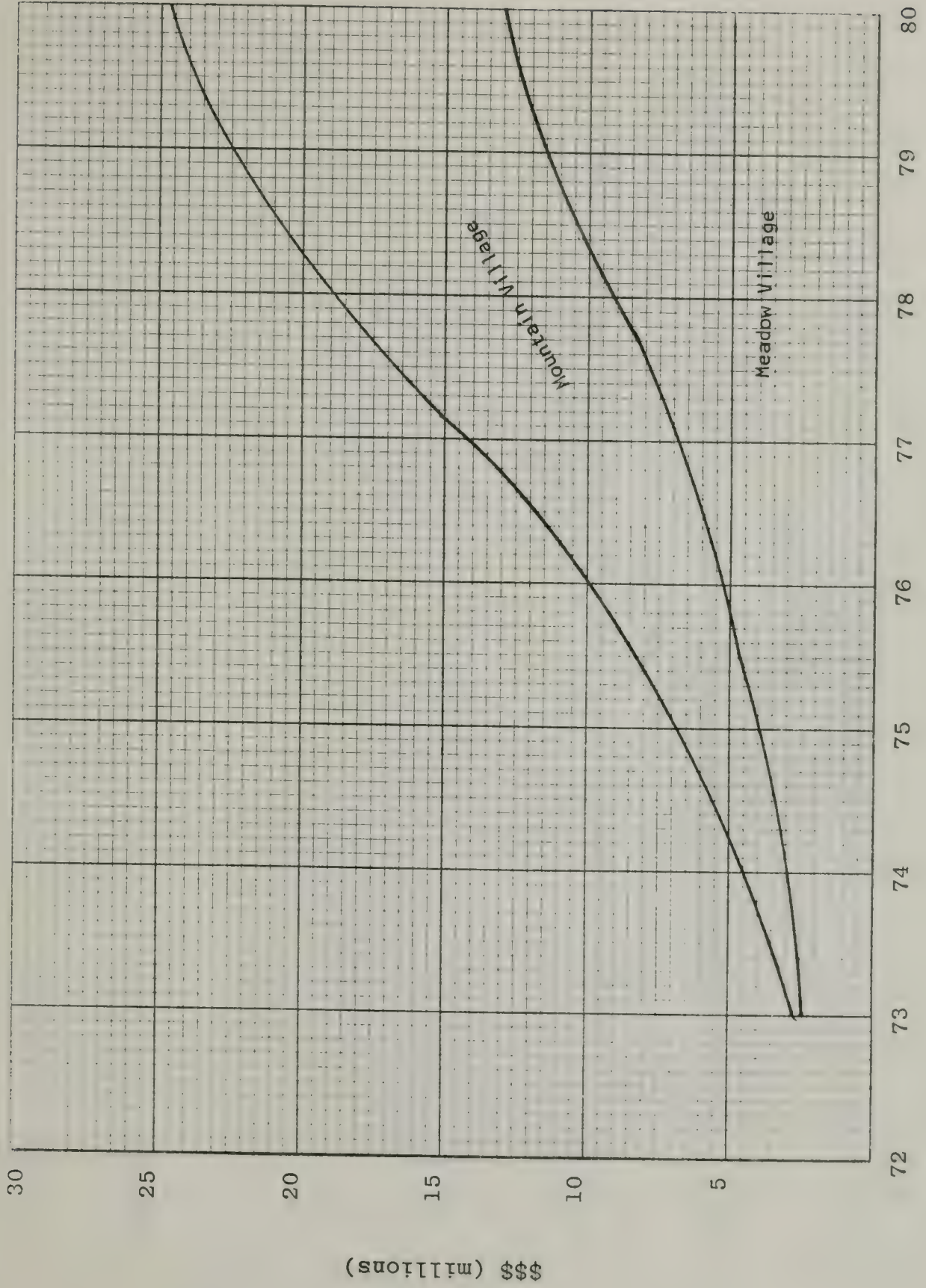
## HOMESITES (Sales Value)

Most homesites sold at Big Sky will eventually be the site of a carefully planned, well designed and high quality home. Water, sewer and roads are being constructed or will be constructed to serve all of the homesites. Underground telephone and electrical lines will preserve the natural beauty of the area. Extra dollars are being expended to develop the area in this manner to insure long term stability in the community's character and quality of living.

The present and future homeowners will also be investing heavily in construction which will be subject to property tax. The value of homesite sales will soon be over \$5 million and will increase rapidly to almost \$25 million.

All internal roads are being provided by the developer. Several miles in each village have already been constructed and several more miles of road will be constructed by the developer in the near future. As a consequence, present and future residents and property owners will expect safe and efficient highway access commensurate to the benefits derived from the development and the need to safeguard the environment.

HOMESITES (Sales Value)

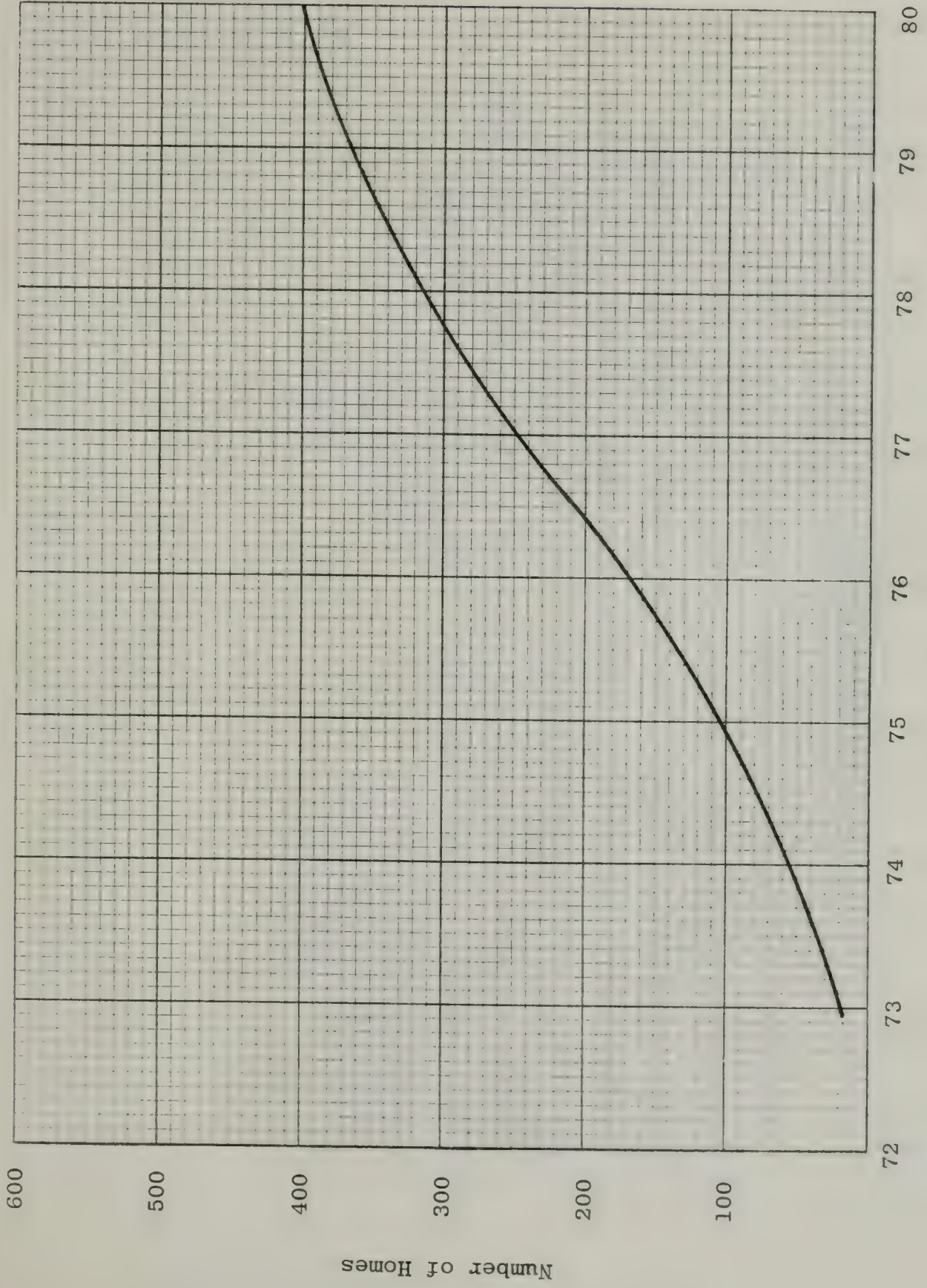




## PRIVATE HOMES

The opposite page projects the approximate rate at which private home construction is expected to occur. Many of the purchasers of homesites are buying for the future for retirement and second home purposes further evidencing the residential character of the community.

PRIVATE HOMES



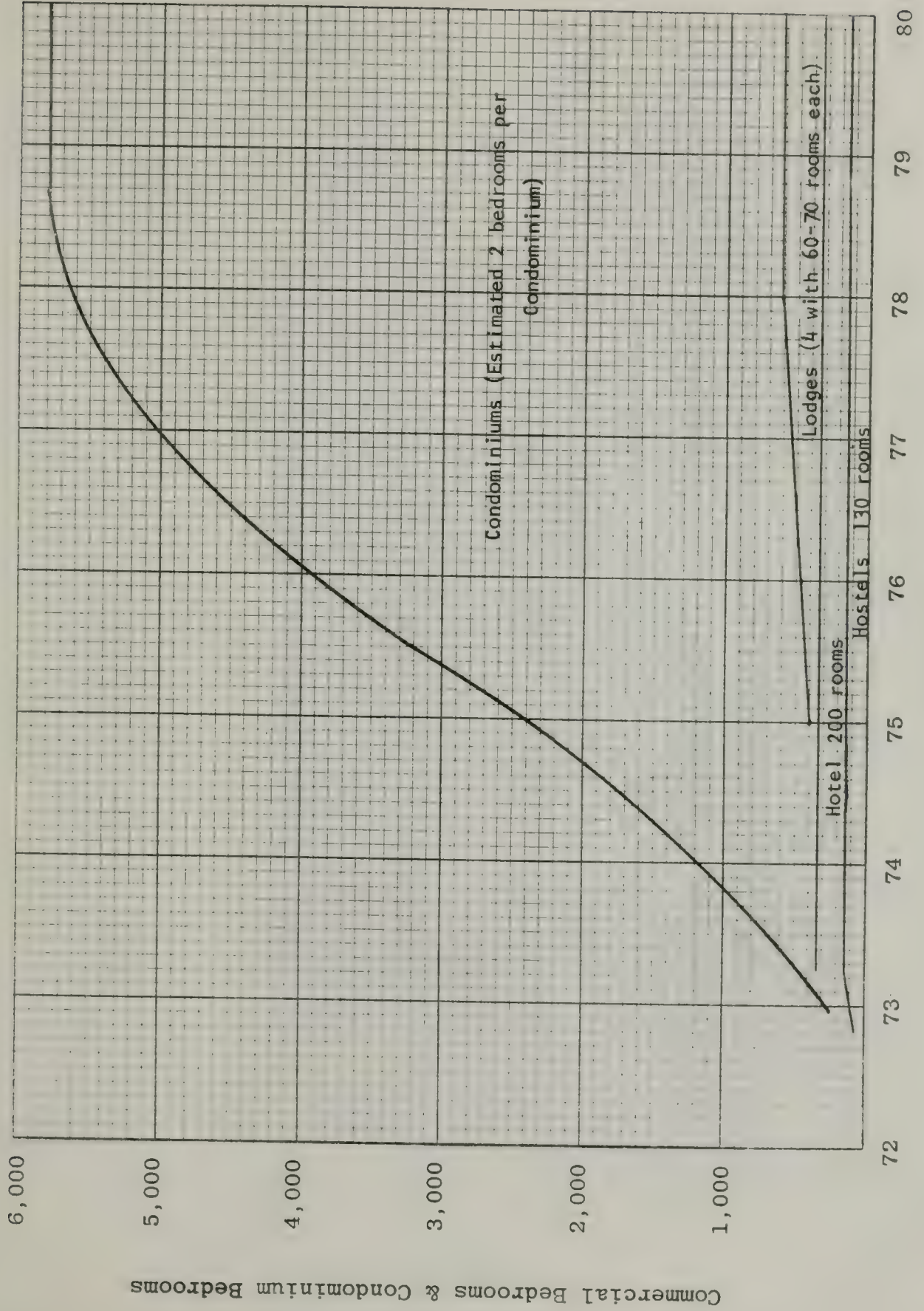


## LODGING

Maximum benefit and enjoyment from recreation and tourist developments occur when people can stay in the immediate area for the duration of the visit. However, a safe and comfortable transportation network between major points and the connecting highway is highly desirable. The planned construction of overnight accommodations emphasizes the traffic that must be transported safely on the main road system leading to the travelers' destination. With thousands of visitors there is similarly a need to minimize dust clouds, mud wallows, rough road beds, hazardous curves and car failures. Within 2 years the number of bedrooms at Big Sky will be approaching 3,000.

# LODGING

(Total Bedrooms to be Constructed)



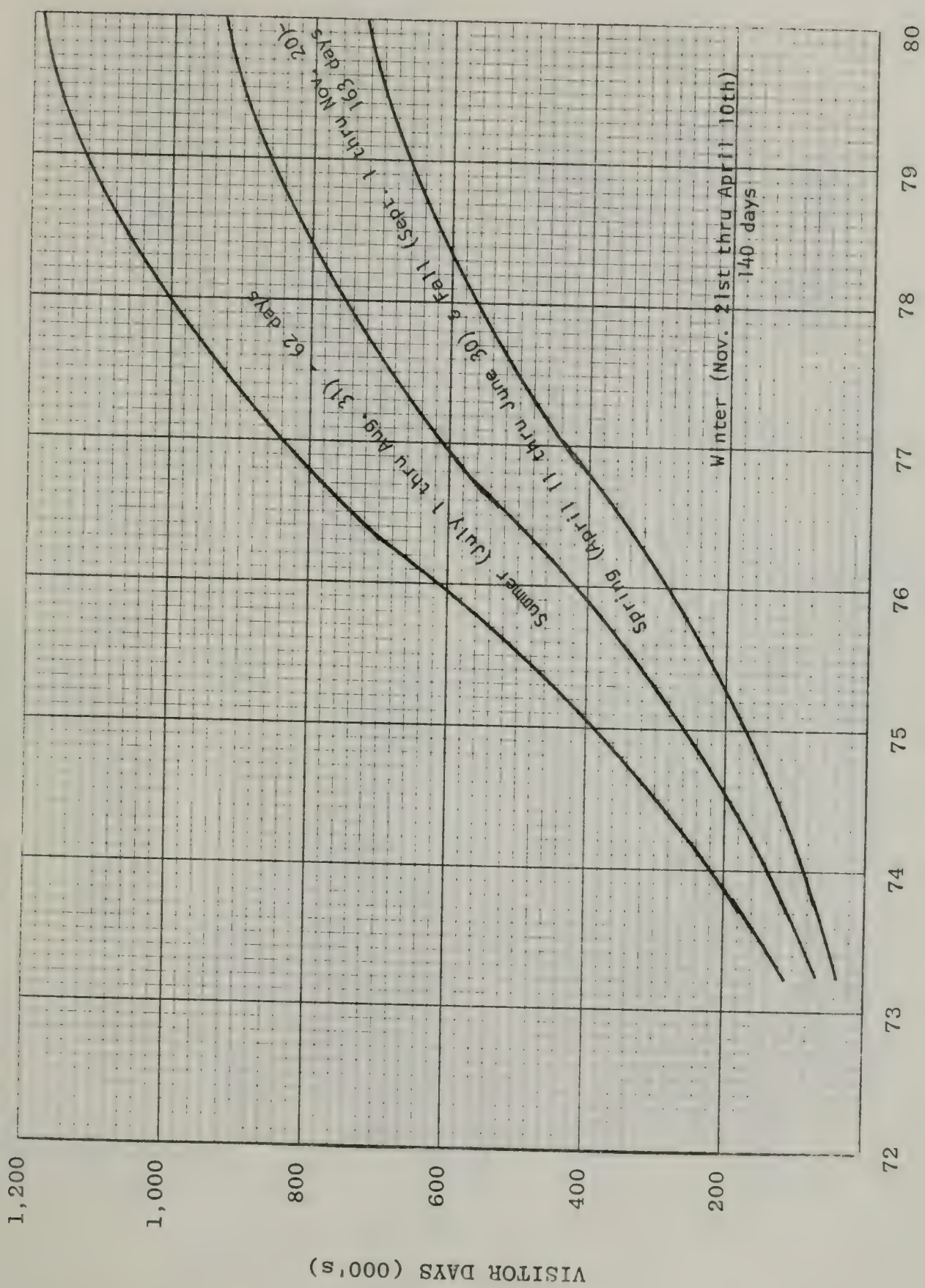


## VISITOR DAYS

During the past 2 years thousands of visitors have driven up the chuckholed, dust laden or muddy road to visit, enjoy and/or invest in the recreational opportunities made available by Big Sky. In the near future (1975) the area will be required to accommodate 400,000 visitor days of traffic. These visitors contribute indirectly to the tax base of the local area as well as add funds to the highway system by payment of gasoline and diesel fuel taxes.

Since Montana views the recreation and tourist industry as being desirable economic development, then efforts should be put forth to capitalize on the present opportunity to provide a level of service which will encourage visitors to the area.

VISITOR DAYS





# ECONOMIC IMPACT (Estimated for 1977)

## Assumptions

### Skiers (1)

400,000 non-resident skier visits  
 Average lift ticket rate = \$6/day  
 Average expenditure for lodging, meals and other = \$19/day  
 Export Income = 40% (3)  
 Fifty percent of local income is indirectly translated into export income.

### Other Visitors

400,000 non-resident visitors  
 Average expenditures = \$20/day  
 Export Income = 40%  
 Fifty percent of local income is indirectly translated into export income.

## Calculations

	<u>Skier</u>	<u>Other</u>	<u>Total</u>
Expenditures	\$10,000,000	\$8,000,000	\$18,000,000
Export Income	\$4,000,000	\$3,200,000	\$7,200,000
40%			
Local Income (Translated to Export Income)	\$2,000,000	\$1,600,000	\$3,600,000
Total Export Income	\$6,000,000	\$4,800,000	\$10,800,000
Total Income using Multiplier of 1.67	\$10,000,000	\$8,000,000	\$18,000,000

## Comments

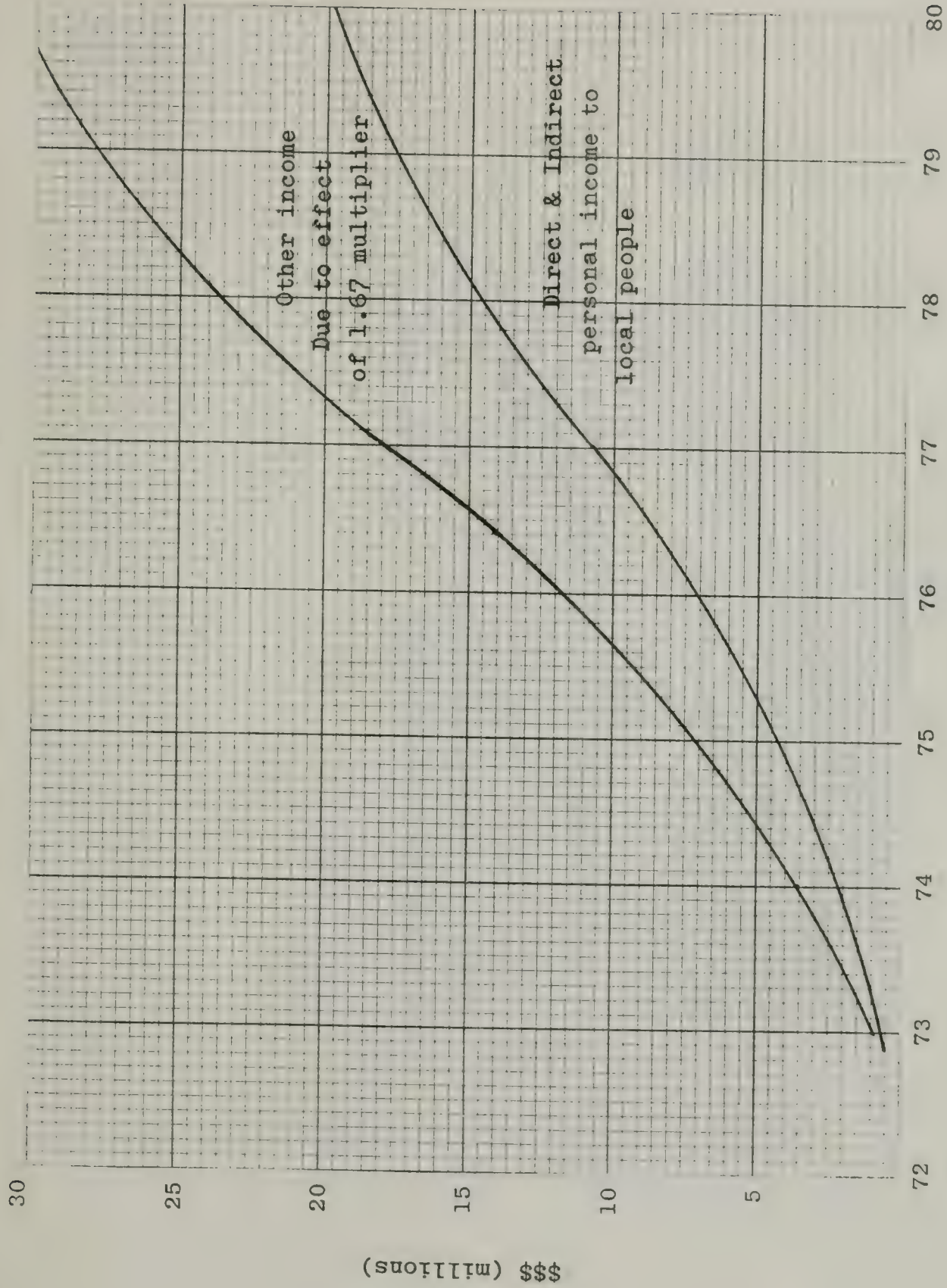
This level of economic impact demonstrates a need for a highway system which will assure the safe transport of people, goods and services in a rapidly growing area.

(1) "Skiers: Their Local Economic Impact" by Margaret S. Pickett and Dean M. Bechter, Federal Reserve Bank of Kansas City Monthly Review, June 1972.

(2) "Export Income" is defined as the direct personal income from the non-resident purchases of locally produced goods and services.

(3) "Local Income" is local spending by export income recipients (indirectly dependent).

# ECONOMIC IMPACT (Personal Income from Visitor Expenditures)



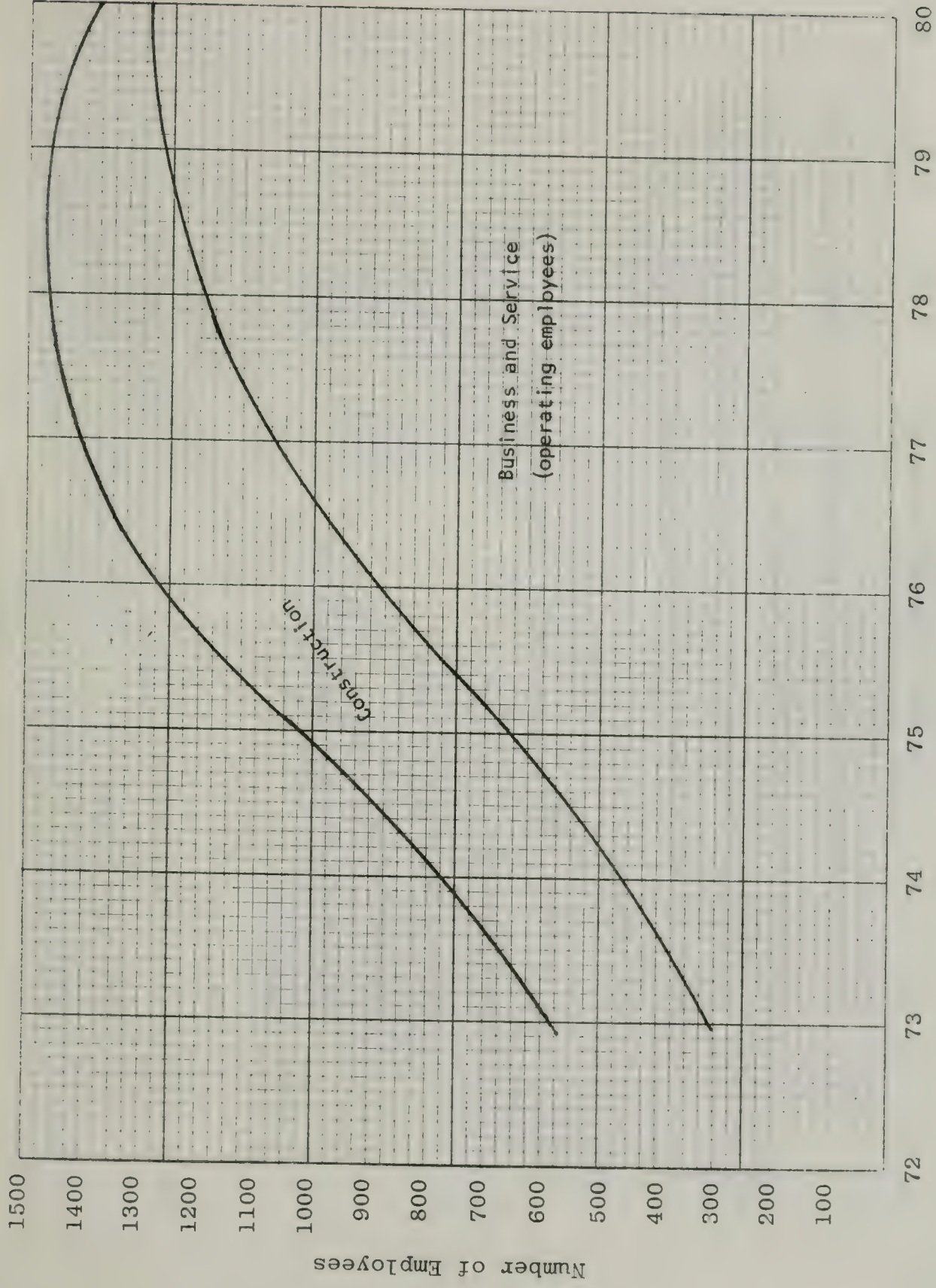
## EMPLOYMENT

One of the major criteria in justifying the expenditure of public funds is employment, income and living opportunities. This measurement is more than just employment for people -- it is a measure of activity. The activity at Big Sky is already at a high level.

As shown in the opposite graph this level of activity is going to increase at a rapid rate. Within 2 years a thousand construction and operating people will be using the road in addition to the expected visitor load which could be 4,500 on peak days. This will greatly exceed the activity of most Montana towns.



EMPLOYMENT (Number)



## CAPITAL INVESTMENT SUMMARY

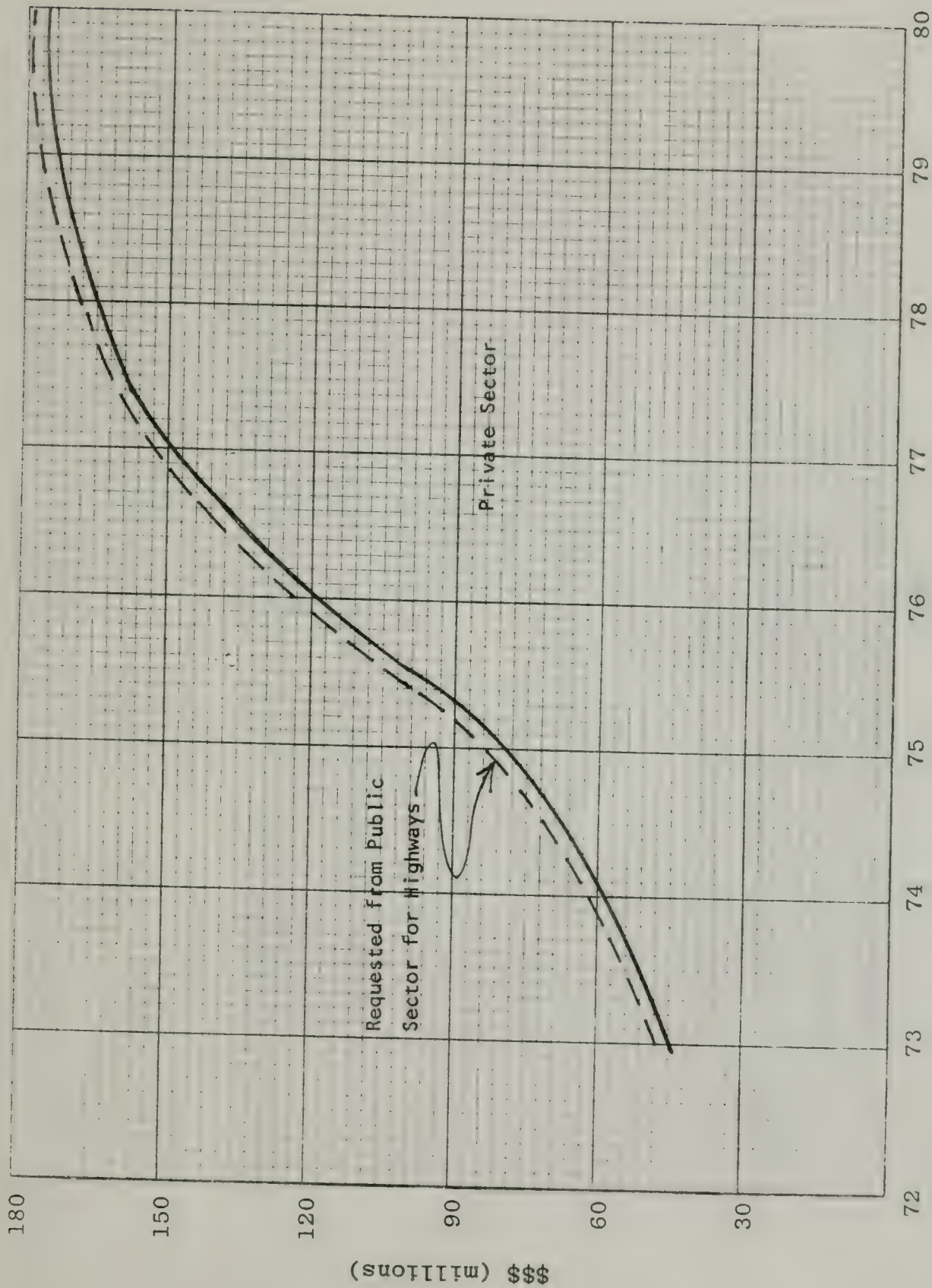
The area is indeed a "growth center" as evidenced by the rapid investment of capital in land improvements, businesses, and homes. The rate of investment by the broad based private sector is shown on the opposite graph. In comparison to the private sector investment, the level of state and federal funds to serve the public access road is modest.

### CAPITAL INVESTMENT (Estimated by 1980)

Land Improvements	\$ 30,000,000
Hotel and other Structures	8,000,000
Hostels and Lodges	8,000,000
Business and Service Establishments	2,000,000
Condominiums	104,000,000
Homes	<u>18,000,000</u>
Investment by private sector	\$ 170,000,000
Request of public sector	<u>3,000,000</u>
	\$ 173,000,000

Total

# CAPITAL INVESTMENT





## TAXES

Public funds come primarily from taxes. Two major categories are property taxes and personal income taxes. Based on the tax generating impact of the private citizens investing in this recreation development there will be large sums of tax dollars resulting from the building and occupation of this community.

The calculations shown below are for the year 1980 (at today's assessment rate and dollars). A growth trend with a comparison is shown on the opposite graph. Based on today's level of economic activity in Gallatin and Madison Counties, the 1978 impact of property taxes from this recreation development will represent 20 percent of the total.

While gasoline and diesel taxes can't be calculated precisely it is possible to estimate approximate amounts that will be collected. Assume that the forecasted 1,200,000

visitor days in 1980 results in each visitor day requiring 25 miles of transportation in

terms of personal movement for the visitor, movement of service personnel and the

movement of goods. A state tax of 7¢ per gallon plus a federal tax of 4¢ a gallon and an

average consumption of .1 gallon per mile results in an annual fuel tax of \$330,000.

### PROPERTY TAX (Estimated annual tax for 1980)

Appraised	.60 x \$170,000,000 =	\$102,000,000
Assessed	.40 x \$102,000,000 =	\$40,800,000
Tax Valuation	.30 x \$40,000,000 =	\$12,240,000
Tax	.185 x \$12,240,000 =	\$2,264,400

### PERSONAL INCOME TAX

Direct	= 1350 employees x \$7,000
	x (.18 + .05) =
Indirect	= .65 (2,173,500) =

\$2,173,500
1,412,775
<u>\$3,586,275</u>

# PROPERTY TAX

